

BASIC FINANCIAL STATEMENTS



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Statement of Net Assets

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 67,105,651	\$ 29,238,549	\$ 96,344,200
Restricted cash	6,455,874	108,870,681	115,326,555
Investments	16,545,198	3,894,770	20,439,968
Receivables	25,574,782	18,266,439	43,841,221
Prepaid expenses	231,819	275,104	506,923
Internal balances	1,563,785	(1,563,785)	-
Due from City			-
Inventories	619,177	766,266	1,385,443
Total current assets	<u>118,096,286</u>	<u>159,748,024</u>	<u>277,844,310</u>
Noncurrent assets:			
Land held for resale			-
Capital assets, net of depreciation	173,630,059	464,750,141	638,380,200
Pension asset	18,511,248		18,511,248
Deferred professional fees, net		2,196,783	2,196,783
Receivables		6,769,692	6,769,692
Other		301,023	301,023
Total noncurrent assets	<u>192,141,307</u>	<u>474,017,639</u>	<u>666,158,946</u>
Total Assets	\$ 310,237,593	\$ 633,765,663	\$ 944,003,256
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 10,631,299	\$ 9,545,291	\$ 20,176,590
Retainage payable	104,506	2,203,446	2,307,952
Accrued liabilities	3,910,232	8,604,020	12,514,252
Other liabilities	1,036,200	236,550	1,272,750
Insurance claims payable	905,321		905,321
Due to school district	16,788,069		16,788,069
Deferred revenue	14,148,517	44,030	14,192,547
Taxes collected in advance	25,522,225		25,522,225
Total current liabilities	<u>73,046,369</u>	<u>20,633,337</u>	<u>93,679,706</u>
Noncurrent liabilities:			
Due within one year	21,943,360	12,711,161	34,654,521
Due in more than one year	151,753,312	318,288,089	470,041,401
Bond discounts			-
Total noncurrent liabilities	<u>173,696,672</u>	<u>330,999,250</u>	<u>504,695,922</u>
Total Liabilities	246,743,041	351,632,587	598,375,628
NET ASSETS			
Investment in capital assets, net of related debt	73,139,911	202,689,413	275,829,324
Restricted for:			
Coverage account		5,134,898	5,134,898
PFCs		3,943,854	3,943,854
MSDC		1,045,920	1,045,920
Revenue bond O&M		5,185,500	5,185,500
Revenue bond fund		10,558,520	10,558,520
Workmen's compensation	3,476,283		3,476,283
Cemetery and other trust funds	11,834,262		11,834,262
Library trust funds	2,683,271		2,683,271
Land held for resale			-
Equipment replacement		671,592	671,592
Unrestricted	(27,639,175)	52,903,379	25,264,204
Total Net Assets	\$ 63,494,552	\$ 282,133,076	\$ 345,627,628
See accompanying notes.			

Component Units		
Manchester School District	Manchester Transit Authority	Manchester Development Corporation
\$ 3,521,486	\$ 1,321,610	\$ 1,777,499 33,924
2,154,040	139,054	569,281
113,596	145,299	
-		
16,788,069	152,625	
<u>22,577,191</u>	<u>1,758,588</u>	<u>2,380,704</u>
		504,187
4,502,443	2,603,511	
<u>4,502,443</u>	<u>2,603,511</u>	<u>504,187</u>
\$ 27,079,634	\$ 4,362,099	\$ 2,884,891
\$ 860,198	\$ 46,191	\$ 12,540
12,915,476	32,262	28,924 15,085
995,321		
21,638,306	5,063	
<u>36,409,301</u>	<u>83,516</u>	<u>56,549</u>
4,178,096		
	283,139	
<u>4,178,096</u>	<u>283,139</u>	<u>-</u>
40,587,397	366,655	56,549
4,502,443	1,495,756	
		504,187
23,130	1,107,755	
(18,033,336)	1,391,933	2,324,155
<u>\$ (13,507,763)</u>	<u>\$ 3,995,444</u>	<u>\$ 2,828,342</u>

Statement of Activities

		Program Revenues		
		Sales and Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Primary government:				
General government	\$ 38,573,766	\$ 9,459,120	\$ 15,032,550	\$ 65,700,698
Public safety	38,059,051	2,068,332	982,878	
Health and sanitation	3,527,296	1,639,360	623,465	
Highways and streets	30,353,748	6,237,960	3,772,926	38,649
Welfare	2,240,572	91,866		
Education and library	4,835,074	40,748	13,773	
Parks and recreation	835,111	616,507	1,065,528	
Cemetery Trust	26,808			
Investment management fee	19,704			
Total governmental activities	<u>118,471,130</u>	<u>20,153,893</u>	<u>21,491,120</u>	<u>65,739,347</u>
Business-type activities				
Water	10,644,202	9,734,649		1,944,814
EPD	11,915,304	11,277,955	319,859	1,321,884
Aviation	36,331,667	38,447,785	2,492,240	23,201,420
Recreation	2,286,392	2,248,307		
Aggregation	147,081	81,224		
Total business-type activities	<u>61,324,646</u>	<u>61,789,920</u>	<u>2,812,099</u>	<u>26,468,118</u>
Total primary government:	<u>\$ 179,795,776</u>	<u>\$ 81,943,813</u>	<u>\$ 24,303,219</u>	<u>\$ 92,207,465</u>
Component units				
Manchester School District	128,526,953	15,266,844	84,646,461	
Manchester Transit Authority	4,312,184	2,108,202	1,603,782	250,000
Manchester Development Corporation	60,386			
Total component units	<u>\$ 132,899,523</u>	<u>\$ 17,375,046</u>	<u>\$ 86,250,243</u>	<u>\$ 250,000</u>
General revenues:				
Property taxes				
Auto registration fees				
Franchise fees				
Unrestricted investment earnings				
Loss on investments				
Debt reimbursement from MSD				
Donation of land				
Loss on disposal of assets				
Transfers				
Transfers out to pension trust fund				
Total general revenues and transfers				
Change in net assets (deficits)				
Net assets - beginning as restated (Note 14)				
Net assets (deficits) - ending				
See accompanying notes.				

City of Manchester New Hampshire
For the Fiscal Year Ended June 30, 2002

Net (Expense) Revenue and Changes in Net Assets (Deficits)					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Manchester School District	Manchester Transit Authority	Manchester Development Corporation
\$ 51,618,602		\$ 51,618,602			
(35,007,841)		(35,007,841)			
(1,264,471)		(1,264,471)			
(20,304,213)		(20,304,213)			
(2,148,706)		(2,148,706)			
(4,780,553)		(4,780,553)			
846,924		846,924			
(26,808)		(26,808)			
(19,704)		(19,704)			
<u>(11,086,770)</u>	<u>-</u>	<u>(11,086,770)</u>			
	1,035,261	1,035,261			
	1,004,394	1,004,394			
	27,809,778	27,809,778			
	(38,085)	(38,085)			
	<u>(65,857)</u>	<u>(65,857)</u>			
-	29,745,491	29,745,491			
<u>\$ (11,086,770)</u>	<u>\$ 29,745,491</u>	<u>\$ 18,658,721</u>			
			\$ (28,613,648)		
				\$ (350,200)	
					\$ (60,386)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,613,648)</u>	<u>\$ (350,200)</u>	<u>\$ (60,386)</u>
58,358,679	-	58,358,679	27,046,973	-	-
13,738,150	-	13,738,150	-	-	-
1,106,689	-	1,106,689	-	-	-
2,122,188	2,761,531	4,883,719	-	23,675	52,305
(1,324,150)		(1,324,150)	-		
6,044,929	-	6,044,929	-	-	-
	(1,103,238)	(1,103,238)	-	-	-
(2,624,534)	(312,244)	(2,936,778)	-	10,670	-
		-	-	-	-
(449,012)	(1,849,740)	(2,298,752)	-	-	-
<u>76,972,939</u>	<u>(503,691)</u>	<u>76,469,248</u>	<u>27,046,973</u>	<u>34,345</u>	<u>52,305</u>
65,886,169	29,241,800	95,127,969	(1,566,675)	(315,855)	(8,081)
(2,391,617)	252,891,276	250,499,659	(11,941,088)	4,311,299	2,836,423
<u>\$ 63,494,552</u>	<u>\$ 282,133,076</u>	<u>\$ 345,627,628</u>	<u>\$ (13,507,763)</u>	<u>\$ 3,995,444</u>	<u>\$ 2,828,342</u>

**Balance Sheet
Governmental Funds**

**City of Manchester, New Hampshire
June 30, 2002**

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 58,543,082	\$ 6,052,702	\$ 2,509,867	\$ 67,105,651
Restricted cash and cash equivalents	5,406,750	99,974	949,150	6,455,874
Investments	505,116		16,040,082	16,545,198
Receivables, net of allowances for collection losses	18,614,409	13,147	5,312,854	23,940,410
Prepaid items	82,325			82,325
Due from other funds	5,038,627		70,851	5,109,478
Inventories	619,177			619,177
Total Assets	<u>\$ 88,809,486</u>	<u>\$ 6,165,823</u>	<u>\$ 24,882,804</u>	<u>\$ 119,858,113</u>
<u>Liabilities and Fund Equity</u>				
Liabilities				
Accounts and warrants payable	\$ 4,307,092	\$ 2,681,724	\$ 3,642,483	\$ 10,631,299
Retainage payable	4,532	99,974		104,506
Accrued liabilities	2,005,273		45,948	2,051,221
Insurance claims payable	905,321			905,321
Due to other funds			2,467,377	2,467,377
Due to Manchester School District	18,522,747			18,522,747
Due to City of Manchester			34,000	34,000
Deferred revenue	15,736,535		493,903	16,230,438
Taxes collected in advance	25,522,225			25,522,225
Other			6,877	6,877
Total Liabilities	<u>67,003,725</u>	<u>2,781,698</u>	<u>6,690,588</u>	<u>76,476,011</u>
Fund Equity				
Fund balances				
Reserved for				
Encumbrances	540,119	1,532,188	558,430	2,630,737
Cemetery and other trust funds			11,834,262	11,834,262
Library			2,683,271	2,683,271
Inventory	619,177			619,177
Advances	1,720,166			1,720,166
Workers' compensation	1,253,582			1,253,582
Designated for				
Health insurance	1,913,932			1,913,932
General liability insurance	1,497,913			1,497,913
Revenue stabilization	9,576,915			9,576,915
Undesignated fund balance	4,683,957	1,851,937	3,116,253	9,652,147
Total Fund Equity	<u>21,805,761</u>	<u>3,384,125</u>	<u>18,192,216</u>	<u>43,382,102</u>
Total Liabilities and Fund Balances	<u>\$ 88,809,486</u>	<u>\$ 6,165,823</u>	<u>\$ 24,882,804</u>	<u>\$ 119,858,113</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	173,630,059
Pension asset created in governmental activities is not a financial resource and, therefore, is not reported in the funds.	18,511,248
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	705,550
Long-term liabilities consisting of bonds payable are not due and payable in current period and, therefore, are not reported in the funds.	(173,479,665)
Long-term liabilities consisting of accruals are not due and payable in the current period and, therefore, are not reported in the funds.	745,258
	<u>\$ 63,494,552</u>

See accompanying notes.

**Statement of Revenues,
Expenditures and Changes in Fund Balances (Deficit)
Governmental Funds**

**City of Manchester, New Hampshire
Year Ended June 30, 2002**

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Taxes	\$ 59,020,928			\$ 59,020,928
Federal and state grants and aid	7,291,673	\$ 1,932,039	\$ 12,244,370	21,468,082
Nonenterprise charges for sales and service	4,432,086		151,458	4,583,544
Licenses and permits	19,744,630			19,744,630
Interest	1,132,648		989,540	2,122,188
Contributions		9,265	126,053	135,318
Net loss on sale of securities			(1,466,788)	(1,466,788)
Other	9,120,585		1,605,334	10,725,919
Total Revenues	100,742,550	1,941,304	13,649,967	116,333,821
<u>Expenditures</u>				
Current:				
General government	18,368,831	11,820,767	8,729,698	38,919,296
Public safety	34,556,506	1,354,367	1,378,385	37,289,258
Health and sanitation	2,711,544	27,236	780,838	3,519,618
Highway and streets	20,099,068	4,831,414	1,285,702	26,216,184
Welfare	2,146,722		97,140	2,243,862
Education	2,258,746	210,540	588,655	3,057,941
Parks and recreation	3,034,011	1,756,481	1,982,902	6,773,394
Pension Benefit Payments	18,960,260			18,960,260
Cemetery Trust			25,309	25,309
Investment management fee			19,704	19,704
Debt service:				
Principal retirement	11,030,422			11,030,422
Interest	3,565,940			3,565,940
Issue Costs	158,662			158,662
Total Expenditures	116,890,712	20,000,805	14,888,333	151,779,850
Excess (Deficiency) of revenues over expenditures	(16,148,162)	(18,059,501)	(1,238,366)	(35,446,029)
<u>Other Financing Sources (Uses)</u>				
Proceeds of refunding bonds	14,150,020			14,150,020
Payment to refunded bond escrow agent	(13,996,706)			(13,996,706)
Proceeds from pension obligation bonds	18,960,260			18,960,260
Bond proceeds		23,055,000		23,055,000
Transfers in	769,277		1,620,742	2,390,019
Transfers out	(1,620,742)		(769,277)	(2,390,019)
Total Other Financing Sources (Uses)	18,262,109	23,055,000	851,465	42,168,574
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses	2,113,947	4,995,499	(386,901)	6,722,545
Fund Balance (Deficit), beginning	19,691,814	(1,611,374)	18,579,117	36,659,557
Fund Balance, ending	\$ 21,805,761	\$ 3,384,125	\$ 18,192,216	\$ 43,382,102

See accompanying notes.

CITY OF MANCHESTER, NEW HAMPSHIRE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2002**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ 6,722,545
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	68,623,026
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,090,062)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(23,809,252)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	15,439,912
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Change in net assets of governmental activities	<u>\$ 65,886,169</u>
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General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Budget Basis)

City of Manchester, New Hampshire
Year Ended June 30, 2002

	Original Budget	Revised Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes	\$ 58,197,875	\$ 58,197,875	\$ 58,400,205	\$ 202,330
Federal and state grants and aid	6,511,773	6,511,773	6,645,460	133,687
Nonenterprise charges for sales and services	5,294,011	5,294,011	4,432,086	(861,925)
Licenses and permits	20,266,688	20,266,688	19,744,630	(522,058)
Interest	1,825,000	1,825,000	1,132,648	(692,352)
Other	10,024,633	10,024,633	9,120,585	(904,048)
Total Revenues	102,119,980	102,119,980	99,475,614	(2,644,366)
<u>Expenditures</u>				
Current:				
General government	22,672,191	22,034,172	18,396,562	3,637,610
Public safety	34,484,277	34,243,485	33,853,819	389,666
Health and sanitation	2,733,226	2,709,038	2,705,481	3,557
Highway and streets	21,767,436	20,537,847	19,735,934	801,913
Welfare	1,461,074	2,235,123	2,145,427	89,696
Education	2,349,374	2,297,986	2,253,692	44,294
Parks and recreation	3,379,013	3,280,789	3,032,982	247,807
Debt service:				
Principal retirement	10,034,398	11,108,201	11,030,422	77,779
Interest	3,298,349	3,882,697	3,565,940	316,757
Issue costs	-	-	158,662	(158,662)
Total Expenditures	102,179,338	102,329,338	96,878,921	5,450,417
Excess of revenues over expenditures	(59,358)	(209,358)	2,596,693	2,806,051
<u>Other Financing Sources (Uses)</u>				
Transfers in	350,100	350,100	300,100	(50,000)
Transfers out	(1,790,742)	(1,640,742)	(1,620,742)	20,000
Total Other Financing Sources (Uses)	(1,440,642)	(1,290,642)	(1,320,642)	(30,000)
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (1,500,000)	\$ (1,500,000)	\$ 1,276,051	\$ 2,776,051

See accompanying notes.

	Business-type Activities-Enterprise Funds				
	Water Works Fund	Major EPD Fund	Aviation Fund	Non-Major Funds	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 695,084	\$ 28,543,465			\$ 29,238,549
Restricted cash and cash equivalents	3,351,926	586,469	\$ 104,932,286		108,870,681
Restricted investments			3,894,770		3,894,770
Receivables, net of allowances for collection losses	1,973,020	4,582,725	11,516,835	\$ 193,859	18,266,439
Prepaid items	89,921	11,122	174,061		275,104
Due from other funds	385,363				385,363
Inventories	723,646	36,712		5,908	766,266
Total current assets:	7,218,960	33,760,493	120,517,952	199,767	161,697,172
Noncurrent assets:					
Capital assets, net, where applicable, of accumulated depreciation	65,185,408	107,622,232	287,707,776	4,234,725	464,750,141
Deferred professional fees			2,118,926	77,857	2,196,783
Receivables		6,769,692			6,769,692
Other receivables		301,023			301,023
Total noncurrent assets:	65,185,408	114,692,947	289,826,702	4,312,582	474,017,639
Total Assets	\$ 72,404,368	\$ 148,453,440	\$ 410,344,654	\$ 4,512,349	\$ 635,714,811
Liabilities					
Current liabilities					
Accounts and warrants payable	\$ 614,954	\$ 1,786,525	\$ 7,056,153	\$ 87,659	\$ 9,545,291
Retainage payable	90,472		2,112,974		2,203,446
Accrued liabilities	413,351	1,355,520	6,731,425	103,724	8,604,020
Due to other funds				1,949,148	1,949,148
Deferred revenue			44,030		44,030
Bonds and notes payable	866,585	5,853,664	4,465,001	151,600	11,336,850
Compensated absences	921,398	217,969	104,436	130,508	1,374,311
Other	214,500			22,050	236,550
Total Current liabilities	3,121,260	9,213,678	20,514,019	2,444,689	35,293,646
Noncurrent liabilities					
Bonds payable	10,256,458	32,827,701	270,863,819	971,000	314,918,978
Notes Payable		3,146,895			3,146,895
Deferred Revenue			139,660	13,428	153,088
Compensated Absences					-
Other			69,128		69,128
Total Noncurrent liabilities	10,256,458	35,974,596	271,072,607	984,428	318,288,089
Total Liabilities	13,377,718	45,188,274	291,586,626	3,429,117	353,581,735
Net Assets					
Invested in Capital Assets, net of related debt	55,921,520	65,793,971	77,861,797	3,112,125	202,689,413
Restricted	1,501,598	215,914	24,822,772		26,540,284
Unrestricted	1,603,532	37,255,281	16,073,459	(2,028,893)	52,903,379
Total Net Assets	\$ 59,026,650	\$ 103,265,166	\$ 118,758,028	\$ 1,083,232	\$ 282,133,076

Proprietary Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets

City of Manchester, New Hampshire
Year Ended June 30, 2002

	Business-type Activities-Enterprise Funds				Total
	Water Works Fund	Major EPD Fund	Aviation Fund	Non-major Funds	
<u>Operating Revenues</u>					
Charges for goods and services	\$ 9,734,649	\$ 11,145,505	\$ 28,867,307	\$ 2,305,399	\$ 52,052,860
Other			2,987,993	822	2,988,815
Total Operating Revenues	9,734,649	11,145,505	31,855,300	2,306,221	55,041,675
<u>Operating Expenses</u>					
Personnel services	4,566,084	2,091,083	3,708,663	1,433,253	11,799,083
Plant maintenance	135,911	2,133,224	3,949,971	105,137	6,324,243
Light/heat and power	837,917	1,616,106	1,346,968	246,882	4,047,873
General and administrative	1,154,927	394,381	5,917,707	236,326	7,703,341
Depreciation and amortization	2,852,624	4,376,643	5,565,400	312,071	13,106,738
Total Operating Expenses	9,547,463	10,611,437	20,488,709	2,333,669	42,981,278
Operating Income (Loss)	187,186	534,068	11,366,591	(27,448)	12,060,397
<u>Non-Operating Revenues (Expenses), net</u>					
Soundproofing program grant			2,492,240	-	2,492,240
Soundproofing program expense			(4,463,150)	-	(4,463,150)
Interest income	83,477	681,266	1,993,168	3,620	2,761,531
Interest expense	(711,354)	(1,303,867)	(11,281,375)	(99,804)	(13,396,400)
Reimbursements of bond interest expense		319,859		-	319,859
Finance and service charges	(385,385)		(98,433)	-	(483,818)
Passenger facility charges			4,549,127	-	4,549,127
Customer facility charges			2,043,358	-	2,043,358
Rent and other income		132,450		23,310	155,760
Donation of land		(1,103,238)		-	(1,103,238)
Loss on disposal of fixed assets		(274,859)	(28,216)	(9,169)	(312,244)
Transfer to pension trust fund	(1,849,740)			-	(1,849,740)
Total Non-operating Expenses	(2,863,002)	(1,548,389)	(4,793,281)	(82,043)	(9,286,715)
Net income (loss) before capital contributions	(2,675,816)	(1,014,321)	6,573,310	(109,491)	2,773,682
Capital Contributions	1,944,814	1,321,884	23,201,420	-	26,468,118
Cumulative effect in change in depreciation method		609,014		-	609,014
Change in Net Assets	(731,002)	916,577	29,774,730	(109,491)	29,850,814
Fund Net Assets, beginning of year	59,757,652	102,348,589	88,983,298	1,192,723	252,282,262
Fund Net Assets, end of year	\$ 59,026,650	\$ 103,265,166	\$ 118,758,028	\$ 1,083,232	\$ 282,133,076

Proprietary Funds
Statement of Cash Flows

City of Manchester, New Hampshire
Year Ended June 30, 2002

	Business-type Activities-Enterprise Funds				Total
	Water Works Fund	Major EPD Fund	Aviation Fund	Non-Major Funds	
Cash Flows from Operating Activities					
Cash received from customers	\$ 8,601,696	\$ 11,263,393	\$ 31,502,037	\$ 2,403,173	\$ 53,770,299
Cash payments for goods and services	(1,618,637)	(3,774,916)	(9,031,804)	(591,840)	(15,017,197)
Cash payments to employees for services	(4,378,945)	(2,338,059)	(3,627,183)	(1,405,097)	(11,749,284)
Other operating revenues				23,310	23,310
Net Cash Provided by Operating Activities	2,604,114	5,150,418	18,843,050	429,546	27,027,128
Cash Flows from Non-Capital and Related Financing Activities					
Amounts from federal & state governments for soundproofing			2,525,713	-	2,525,713
Soundproofing related expenses			(4,463,150)	-	(4,463,150)
Passenger and customer facility charges			6,625,958	-	6,625,958
Cash payment to Pension Trust	(1,849,740)			-	(1,849,740)
Interest paid on cash advances				(42,703)	(42,703)
Short-term cash advance from City				228,031	228,031
Net Cash Provided by Non-Capital & Related Financing Activities	(1,849,740)	-	4,688,521	185,328	3,024,109
Cash Flows from Capital and Related Financing Activities					
Proceeds from revenue bonds			108,005,000	-	108,005,000
Proceeds from State of New Hampshire Revolving Fund		2,661,994		-	2,661,994
Reimbursement of bond interest expenses		322,315		-	322,315
Proceeds from general obligations	2,819,740			-	2,819,740
Decrease in State of New Hampshire liability		(3,893,091)		-	(3,893,091)
Principal paid on bonds	(786,964)	(925,106)	(41,745,000)	(156,600)	(43,613,670)
Interest paid on bonds	(572,542)	(1,262,362)	(10,528,558)	(57,301)	(12,420,763)
Contributed capital by federal, state & local governments	1,944,814	1,245,988	17,883,778	-	21,074,580
Acquisition and construction of capital assets	(2,897,945)	(7,466,961)	(43,077,753)	(983,247)	(54,425,906)
Proceeds from sale of equipment				5,000	5,000
Net Cash Provided by Capital & Related Financing Activities	507,103	(9,317,223)	30,537,467	(1,192,148)	20,535,199
Cash Flows from Investing Activities					
Sale of investment securities			7,047,775	-	7,047,775
Interest and dividends from investments	83,477	790,890	1,993,168	3,620	2,871,155
Net Cash Provided (Used) by Investing Activities	83,477	790,890	9,040,943	3,620	9,918,930
Net Increase (Decrease) in Cash and Cash Equivalents	1,344,954	(3,375,915)	63,109,981	(573,654)	60,505,366
Cash and Cash Equivalents at Beginning of Year	2,702,056	32,505,849	41,822,305	573,654	77,603,864
Cash and Cash Equivalents at End of Year	\$ 4,047,010	\$ 29,129,934	\$ 104,932,286	\$ -	\$ 138,109,230
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 187,186	\$ 534,068	\$ 11,366,591	\$ (27,448)	\$ 12,060,397
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Depreciation and amortization	2,852,624	3,767,630	5,565,400	312,071	12,497,725
Non-operating revenue		(79,819)		23,310	(56,509)
Change in Assets and Liabilities					
(Increase) decrease in receivables	(647,071)	89,759	(339,657)	24,551	(872,418)
(Increase) in inventories	(100,497)	(261)		-	(100,758)
(Increase) decrease in prepaid expenses and other assets	256,504	882	(174,061)	-	83,325
Increase (decrease) in accounts payable	(48,358)	895,890	1,988,260	(3,575)	2,832,217
Increase (decrease) in accrued liabilities	(413)	(53,141)	442,977	91,014	480,437
Increase (decrease) in compensated absences	124,186	(4,590)	7,146	4,644	131,386
Increase (decrease) in Deferred Revenue			(13,606)	4,979	(8,627)
(Decrease) in interfund liabilities	(20,047)				(20,047)
Net Cash Provided by Operating Activities	\$ 2,604,114	\$ 5,150,418	\$ 18,843,050	\$ 429,546	\$ 27,027,128

Fiduciary Funds
Statement of Fiduciary Net Assets

City of Manchester, New Hampshire
Year ended June 30, 2002

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 10,154,423	
Investments	95,826,206	
Receivables, net of allowances for collection losses	570,375	\$ 1,071,041
Prepaid items	3,333	
Property and equipment, net, where applicable, of accumulated depreciation	<u>121,211</u>	
Total Assets	<u>\$ 106,675,548</u>	<u>\$ 1,071,041</u>
Liabilities		
Accounts and warrants payable	\$ 112,031	
Accrued liabilities	643,689	
Due to other funds	<u>7,275</u>	<u>\$ 1,071,041</u>
Total Liabilities	<u>762,995</u>	<u>\$ 1,071,041</u>
Net Assets		
Held in trust for Employees' Retirement System	<u><u>\$ 105,912,553</u></u>	

See accompanying notes.

Fiduciary Trusts
Statement of Changes in Fiduciary Net Assets

City of Manchester New Hampshire
Year Ended June 30, 2002

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 1,366,588
Plan members	1,473,606
Contribution	20,810,000
Total Contributions	<u>23,650,194</u>
Investment Loss	
Net realized and unrealized depreciation in fair value of investments	(7,671,561)
Interest	1,492,751
Dividends	1,334,213
Less investment expense	(342,118)
Net Investment Loss	<u>(5,186,715)</u>
Total Additions	<u>18,463,479</u>
Deductions	
Benefits paid directly to participants	6,170,107
Refunds of employee contributions	234,255
Administrative expenses	832,190
Total Deductions	<u>7,236,552</u>
Net Increase	11,226,927
Net Assets Held in Trust for Pension Benefits	
Beginning of year	94,685,626
End of year	<u><u>\$105,912,553</u></u>